

CHICAGO EQUITY FUND

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October 31, 2003

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Ms. Jennifer J. Johnson
Secretary

Board of Governors of the Federal Reserve System
Twentieth Street and Constitution Avenue, NW
Washington, DC 20551
Attention: Docket No. R-1154

BEST IMAGE AVAILABLE

Office of the Comptroller of the Currency
250 E Street, SW
Public Information Room
Mail Stop 1-5
Washington D.C. 20219
Attention: Docket No. 03-14

Regulations Comments
Chief Counsel's Office
Office of Thrift Supervision
1700 G Street, NW
Washington, DC 20552
Attention: No. 2003-27

Robert E. Feldman
Executive Secretary
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429
Attention: Comments

Dear Sirs:

The Chicago Equity Fund is a tax credit syndication firm. We appreciate the opportunity to comment on the proposed Risk-Based Capital Rules.

Chicago Equity Fund strongly supports the provision of the proposed special rule for "Legislated Program Equity Exposures". This special rule preserves the current capital charge on most equity investments made under legislated programs that involve government oversight, including public welfare investments made by banks in compliance with Community Reinvestment Act (CRA) regulations. These programs provide a vital source of private sector financing for affordable housing and community development for low- and moderate-income communities, particularly in our area of the country.

However, we are troubled by another proposed rule change. The proposed "materiality" test would affect banks that have, on average, more than 10% of

(Tier 1 plus Tier 2) capital in ALL equity investments. Our concern is that the proposed rule change could unintentionally discourage banks with substantial CRA investments from maintaining the same level of CRA investments, so as not to trigger higher capital charges on non-CRA investments. Please consider excluding CRA-related investments from the materiality test calculation. This will help ensure the continued availability of private equity capital for meeting the affordable housing needs of our nation's poorest families and for building sustainable communities.

Sincerely,

A handwritten signature in black ink, appearing to read "W. W. Higginson", with a long, sweeping horizontal line extending to the right.

William W. Higginson
President & CEO